

MONTANA LEGISLATIVE HISTORY

Chapter 65 19 92

Bill H 224 S _____ Original bill & history 1 C

H. Committee on Taxation

Hearing Date(s) Jan 22 ☒ C

Jan 20 ☒ C

_____ ☐ C

_____ ☐ C

Date Out _____ ☐ C

S. Committee on Taxation

Hearing Date(s) Feb 11 ☒ C

_____ ☐ C

_____ ☐ C

_____ ☐ C

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

4/22 SIGNED BY GOVERNOR
CHAPTER NUMBER 344
EFFECTIVE DATE: 10/01/97

HB 272 INTRODUCED BY MCGEE, ET AL. LC0304 DRAFTER: LANE

EXTEND THE COMMISSION ON SENTENCING FOR 2 YEARS

1/15	INTRODUCED		
1/15	FIRST READING		
1/15	REFERRED TO JUDICIARY		
1/15	FISCAL NOTE REQUESTED		
1/22	FISCAL NOTE RECEIVED		
1/29	HEARING		
1/29	FISCAL NOTE PRINTED		
2/07	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/19	TAKEN FROM COMMITTEE AND REREFERRED TO CORRECTIONS SELECT COMMITTEE		
3/08	TABLED IN COMMITTEE		
3/13	MOTION FAILED TO TAKE FROM TABLE & PUT ON 2ND READING	48	52
3/16	MISSED DEADLINE FOR 57TH DAY TRANSMITTAL DIED IN COMMITTEE		

HB 273 INTRODUCED BY MCGEE, ET AL. LC0305 DRAFTER: LANE

REVISE THE SENTENCING OF OFFENDERS WHO HAVE BEEN PREVIOUSLY
CONVICTED OF ONE OR MORE VIOLENT OFFENSES

1/15	INTRODUCED		
1/15	FIRST READING		
1/15	REFERRED TO JUDICIARY		
1/15	FISCAL NOTE REQUESTED		
1/21	FISCAL NOTE RECEIVED		
1/22	FISCAL NOTE PRINTED		
1/29	HEARING		
2/04	TABLED IN COMMITTEE		
2/27	MISSED DEADLINE FOR 45TH DAY TRANSMITTAL DIED IN COMMITTEE		

HB 274 INTRODUCED BY VICK, ET AL. LC0140 DRAFTER: HEIMAN

ELIMINATE CERTAIN NUISANCE TAXES BY ELIMINATING THE \$10 FILING
FEES FOR SMALL BUSINESS CORPORATIONS, ELIMINATING THE RURAL
COOPERATIVE UTILITIES ANNUAL FEE, AND REPEALING THE LICENSE
TAX ON SALES OF CEMENT AND BYPRODUCTS

1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO TAXATION		
1/16	FISCAL NOTE REQUESTED		
1/20	FISCAL NOTE RECEIVED		
1/22	HEARING		
1/24	FISCAL NOTE PRINTED		
1/30	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/01	2ND READING PASSED	75	23
2/03	3RD READING PASSED	82	17
	TRANSMITTED TO SENATE		
2/04	FIRST READING		
2/04	REFERRED TO TAXATION		
2/11	HEARING		
2/11	COMMITTEE REPORT—BILL CONCURRED		
3/04	2ND READING CONCURRED	48	0

3/05	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		
3/09	SIGNED BY SPEAKER		
3/10	SIGNED BY PRESIDENT		
3/10	REVISED FISCAL NOTE RECEIVED		
3/11	REVISED FISCAL NOTE RECEIVED		
3/11	TRANSMITTED TO GOVERNOR		
3/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 65		
	EFFECTIVE DATE: 07/01/97		

HB 275 INTRODUCED BY EWER, ET AL. LC1093 DRAFTER: PETESCH

REDUCE THE PERIOD OF TIME IN WHICH A PREMISES LICENSED TO HAVE VIDEO GAMBLING MACHINES MUST COMPLY WITH DISTANCE RESTRICTIONS

1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO BUSINESS & LABOR		
1/22	HEARING		
1/23	TABLED IN COMMITTEE		
2/27	MISSED DEADLINE FOR 45TH DAY TRANSMITTAL		
	DIED IN COMMITTEE		

HB 276 INTRODUCED BY KOTTEL LC0578 DRAFTER: MACMASTER

RELATING TO PATERNITY PROCEEDINGS

1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO JUDICIARY		
1/16	FISCAL NOTE REQUESTED		
1/22	FISCAL NOTE RECEIVED		
1/22	FISCAL NOTE PRINTED		
1/31	HEARING		
2/11	TABLED IN COMMITTEE		
2/21	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/24	2ND READING PASSED AS AMENDED	93	5
2/26	3RD READING PASSED	96	4
	TRANSMITTED TO SENATE		
3/03	FIRST READING		
3/03	REFERRED TO JUDICIARY		
3/18	HEARING		
3/20	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/22	2ND READING CONCURRED	49	0
3/24	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/09	2ND READING AMENDMENTS CONCURRED	98	1
4/11	3RD READING CONCURRED AS AMENDED	92	4
4/17	SIGNED BY SPEAKER		
4/17	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 398		
	EFFECTIVE DATE: 10/01/97		

INTRODUCED BY

Wm. E. Boharstki
House BILL NO. 274

274

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING CERTAIN NUISANCE TAXES BY ELIMINATING THE
~~CERTAIN~~ *Knox* *McKinnon* *Rosen* *Stevenson* *Anderson* *Butt*
 \$10 FILING FEES FOR SMALL BUSINESS CORPORATIONS AND REPEALING THE LICENSE TAX ON SALES

OF CEMENT AND BYPRODUCTS; AMENDING SECTION 15-31-202, MCA; REPEALING SECTIONS
 15-31-204, 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208,
 15-59-209, 15-59-210, 15-59-212, 15-59-213, 15-59-214, AND 15-59-221, MCA; AND PROVIDING AN
 EFFECTIVE DATE AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-31-202, MCA, is amended to read:

"15-31-202. **Small business corporation not subject to chapter.** (1) A small business corporation
 is not subject to the taxes imposed by this chapter. The corporate net income or loss of the corporation
 is included in the stockholders' adjusted gross income as defined in 15-30-111.

~~(2) Each small business corporation is required to pay the minimum fee of \$10 required by
 15-31-204."~~

NEW SECTION. Section 2. Repealer. (1) Section 15-31-204, MCA, is repealed.

(2) Sections 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208,
 15-59-209, 15-59-210, 15-59-212, 15-59-213, 15-59-214, and 15-59-221, MCA, are repealed.

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1997.

NEW SECTION. Section 4. Applicability. (1) [Sections 1 and 2(1)] apply retroactively, with the
 meaning of 1-2-109, to tax periods beginning after December 31, 1996.

(2) [Section 2(2)] applies to tax periods beginning after June 30, 1997.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0274, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act eliminating certain nuisance taxes by eliminating the \$10 filing fees for small business corporations and repealing the license tax on sales of cement and byproducts, and providing an effective date and applicability dates.

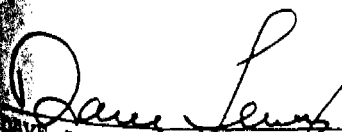
ASSUMPTIONS:

1. Approximately 10,000 sub-S corporations file returns annually with the department and pay the \$10 minimum fee.
2. Cement Dealers License Tax collections have averaged \$600 per year over the last four years.
3. Cement Dealers License Tax collections in each of FY98 and FY99 will be equal to the FY93-FY96 average collections.

FISCAL IMPACT:

Net Impact:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Corporation License Tax	(\$100,000)	(\$100,000)
Cement Dealer's License Tax	(\$600)	(\$600)
Total (General Fund)	(\$100,600)	(\$100,600)

 1-20-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

STEVE VICK, PRIMARY SPONSOR DATE

Fiscal Note for HB0274, as introduced

HB 274

HEARING ON HB 274

Opening Statement by Sponsor:

Rep. Steve Vick, House District 31, opened the hearing on HB 274.
{Tape: 2; Side: B; Approx. Time Count: 4.3.}

Proponents' Testimony:

Lynn Chenoweth, Department of Revenue. {Tape: 2; Side: B;
Approx. Time Count: 9.6.}

Riley Johnson. {Tape: 2; Side: B; Approx. Time Count: 9.8.}

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 2; Side: B; Approx. Time Count: 10.9.}

Closing by Sponsor:

Rep. Vick closed. {Tape: 2; Side: B; Approx. Time Count: 19.8.}

HEARING ON HB 294

Opening Statement by Sponsor:

Rep. John Cobb, House District 50, opened the hearing on HB 294,
a proposal for a legislative audit of the DOR property
reappraisal system. {Tape: 2; Side: B; Approx. Time Count:
21.5.}

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Informational Testimony:

None.

HOUSE TAXATION COMMITTEE

ROLL CALL

DATE OF MEETING: January 22, 1997

Name	Present	Absent	Excused
Rep. Peggy Arnott	✓		
Rep. Paul Bankhead	✓		
Rep. John Bohlinger	✓		
Rep. Bill Carey	✓		
Rep. Alvin Ellis, Jr.	✓		
Rep. Marian Hanson	✓		
Rep. Hal Harper	✓		
Rep. Dan Harrington	✓		
Rep. Rick Jore	✓		
Rep. Scott J. Orr	✓		
Rep. Bob Raney	✓		
Rep. Bob Ream	✓		
Rep. Sam Rose	✓		
Rep. Bill Ryan	✓		
Rep. Robert Story	✓		
Rep. Richard Simpkins	✓		
Rep. Emily Swanson	✓		
Rep. Lila Taylor	✓		
Rep. Jack Wells	✓		
Chairman Chase Hibbard	✓		

VISITOR REGISTER

HOUSE TAXATION COMMITTEE

DATE:

January 22, 1997

BILL NO:

HB 274

SPONSOR:

Rep. Vick

NAME AND ADDRESS (PLEASE PRINT)	REPRESENTING	TYPE OF WITNESS		
		Informa- tional	Support	Oppose
Van Char Hen	DOR	X		
Larry Sullivan	DOR	X		

Please leave prepared testimony with secretary.

Witness statement forms are available if you care to submit written testimony.

EXECUTIVE ACTION ON HB 274

Motion:

Rep. Arnott moved that HB 274 do pass. {Tape: 2; Side: B;
Approx. Time Count: 6.2.}

Motion/Vote:

Rep. Arnott moved that amendments to the bill do pass. EXHIBIT
5. The motion passed, 17 - 3, with Reps. Harper, Raney and Ream
voting no. {Tape: 2; Side: B; Approx. Time Count: 8.9.}

Motion:

On a voice vote, the do pass as amended motion passed 16 - 4,
with Reps. Carey, Harrington, Harper and Ream voting no. {Tape:
2; Side: B; Approx. Time Count: 29.4.}

Rep. Ream commented on HJR 2 and the action which had taken place
on the bill. EXHIBIT 6. {Tape: 2; Side: B; Approx. Time Count:
30.0.}

{Tape: 2; Side: B; Approx. Time Count: 33.0; Comments: Adjourn.}

Amendments to House Bill No. 274
First Reading Copy

Requested by Rep. Arnott
For the Committee on Taxation

Prepared by Lee Heiman
January 22, 1997

1. Title, line 5.
Following: "CORPORATIONS"
Insert: ", ELIMINATING THE RURAL COOPERATIVE UTILITIES ANNUAL FEE,"
2. Title, line 6.
Strike: "SECTION"
Insert: "SECTIONS"
Following: "15-31-202"
Insert: "AND 35-18-503"
3. Title, line 8.
Strike: the first "AND"
Following: "15-39-221,"
Insert: "35-18-504, 35-18-505, 35-18-506, AND 35-18-510,"
4. Page 1.
Following: line 18
Insert: "Section 2. Section 35-18-503, MCA, is amended to read:
"35-18-503. ~~Annual fee to department of revenue~~
~~exemption~~ Exemption from other taxes. Cooperatives and foreign corporations transacting business in this state pursuant to the provisions of this chapter shall pay annually on or before July 1, to the department of revenue a fee of \$10 for each 100 persons or fractions thereof to whom electricity or telephone service was supplied during the previous calendar year within the state and, except as provided in 10-4-201, shall be are exempt from all other excise and income taxes of whatsoever kind or nature."
- Renumber: subsequent sections
5. Page 1, line 23.
Insert: "(3) Sections 35-18-504, 35-18-505, 35-18-506, and 35-18-510, MCA, are repealed."
6. Page 1, line 26.
Strike: "2(1)"
Insert: "3(1)"
Strike: "with"
Insert: "within"
7. Page 1, line 28.
Strike: "Section 2(2)] applies"
Insert: "Sections 3(2) and 3(3)] apply"



HOUSE STANDING COMMITTEE REPORT

January 30, 1997

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 274 (first reading copy -- white) do pass as amended.

Signed: _____

Chase Hibbard
Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 5.

Following: "CORPORATIONS"

Insert: ", ELIMINATING THE RURAL COOPERATIVE UTILITIES ANNUAL FEE,"

2. Title, line 6.

Strike: "SECTION"

Insert: "SECTIONS"

Following: "15-31-202"

Insert: "AND 35-18-503"

3. Title, line 8.

Strike: the first "AND"

Following: "15-39-221,"

Insert: "35-18-504, 35-18-505, 35-18-506, AND 35-18-510,"

4. Page 1.

Following: line 18

Insert: "Section 2. Section 35-18-503, MCA, is amended to read:

"35-18-503. ~~Annual fee to department of revenue~~
~~exemption~~ Exemption from other taxes. Cooperatives and foreign corporations transacting business in this state pursuant to the provisions of this chapter shall pay annually on or before July 1, to the department of revenue a fee of \$10 for each 100 persons or fractions thereof to whom electricity or telephone service was supplied during the previous calendar year within the state and, except as provided in 10-4-201, shall be are exempt from all other excise and income taxes of whatsoever kind or nature."

Committee Vote:

Yes 16, No 4.

1/30
ump
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Renumber: subsequent sections

5. Page 1, line 23.

Insert: "(3) Sections 35-18-504, 35-18-505, 35-18-506, and 35-18-510, MCA, are repealed."

6. Page 1, line 26.

Strike: "2(1)"

Insert: "3(1)"

Strike: "with"

Insert: "within"

7. Page 1, line 28.

Strike: "Section 2(2)] applies"

Insert: "Sections 3(2) and 3(3)] apply"

-END-

HOUSE TAXATION COMMITTEE
ROLL CALL VOTE

DATE OF MEETING: 1-30-97

BILL NO. HB 274

2 B 8.9

MOTION: Arnott Amendment do pass

Name	Yes	No	Comment
Rep. Bob Story	✓		
Rep. Scott Orr	✓		
Rep. Bill Ryan	✓		
Rep. Peggy Arnott	✓		
Rep. Bill Carey	✓		
Rep. Sam Rose	✓		
Rep. Jack Wells	✓		
Rep. Dan Harrington	✓		
Rep. Alvin Ellis	✓		
Rep. Rick Jore	✓		
Rep. Dick Simpkins	✓		
Rep. Paul Bankhead	✓		
Rep. John Bohlinger	✓		
Rep. Emily Swanson	✓		
Rep. Lila Taylor	✓		
Rep. Marian Hanson	✓		
Rep. Hal Harper		✓	
Rep. Bob Raney		✓	
Rep. Bob Ream		✓	
Chairman Chase Hibbard	✓		

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HOUSE TAXATION COMMITTEE
ROLL CALL VOTE

DATE OF MEETING: 1-30-97

BILL NO. HB 274

~~HB 274~~

MOTION: Arnott - do pass as Amended
~~Amended~~ 16-4

Name	Yes	No	Comment
Rep. Bob Story			
Rep. Scott Orr			
Rep. Bill Ryan			
Rep. Peggy Arnott			
Rep. Bill Carey		✓	
Rep. Sam Rose		✓	
Rep. Jack Wells			
Rep. Dan Harrington		✓	
Rep. Alvin Ellis			
Rep. Rick Jore			
Rep. Dick Simpkins			
Rep. Paul Bankhead			
Rep. John Bohlinger			
Rep. Emily Swanson			
Rep. Lila Taylor			
Rep. Marian Hanson			
Rep. Hal Harper		✓	
Rep. Bob Raney			
Rep. Bob Ream		✓	
Chairman Chase Hibbard			

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MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN GERRY DEVLIN, on February 11, 1997,
at 8:00 a.m., in Room 415.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Jeff Martin, Legislative Services Division
Renée Podell, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 272, HB 274
Executive Action: HB 274

HEARING ON HB 274

Sponsor: REP. STEVE VICK, HD 31, BELGRADE

Proponents: Lynn Chenoweth, Bureau Chief, Tax Bureau,
Department of Revenue
Riley Johnson, National Federation of Independent
Business (NFIB)

Opponents: None

Opening Statement by Sponsor:

REP. STEVE VICK, HD 31, BELGRADE, reports HB 274 eliminates
certain nuisance taxes. He lists as follows the three different
fees in this bill:

- 1) Small business corporation (Sub-chapter S) tax
- 2) Cement license tax
- 3) Telephone/Rural Electric tax

He portrays a nuisance tax as one that generates less money than it costs to collect. REP. VICK says this bill cleans up the books.

Proponents' Testimony:

Lynn Chenoweth, Department of Revenue, explains the purpose for these fees are gone by now. He recommends the committee support this legislation.

Riley Johnson, National Federation of Independent Business (NFIB), favors this bill because small business corporation taxes are probably one of the largest segments of their membership and even though it isn't a lot of money, every little bit saved helps.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by the Sponsor:

SEN. VICK says he hopes the committee will concur.

EXECUTIVE ACTION ON HB 274

Amendments: None

Motion: SEN. MIKE SPRAGUE MOVED HB 274 BE CONCURRED IN.

Discussion: SEN. FRED VAN VALKENBURG says this might be a nuisance to collect but someone will have to pay it. SEN. VAN VALKENBURG asks Mr. Chenoweth if the support of this bill indicates that this reduction in revenue is part of the Governor's budget and is factored into the budget balancing issue. Mr. Chenoweth assumes it is, however, he isn't sure since he wasn't involved in preparing this.

Vote: MOTION CARRIED UNANIMOUSLY. CHAIRMAN DEVLIN asks SEN. SPRAGUE to carry the bill on the Senate floor.

EXECUTIVE ACTION ON SB 194

Discussion: Gray (committee working copy of the bill) distributed (EXHIBIT 1).

Amendments: Jeff Martin explains he made changes in terms of organization only to the amendments presented by the Department of Justice. He notes the primary changes are in Section 3, 61-03-701.



SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 11, 1997

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill 274 (third reading copy -- blue), respectfully report that House Bill 274 be concurred in.

Signed: *Gerry Devlin*
Senator Gerry Devlin, Chair

TS Amd. Coord.
SP Sec. of Senate

Senator Spengler
Senator Carrying Bill

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CS-09

DATE 2/11/97

SENATE COMMITTEE ON TAX

BILLS BEING HEARD TODAY: HB 274

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
<i>Riley Johnson</i>	<i>NFIB</i>	<i>HB 274</i>	☒	☐
<i>Jeff Miller</i>	<i>DOR</i>	<i>HB 272</i>	☐	☒
<i>Don Hargeman</i>	<i>DOR</i>		☒	☐

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY